

House Bill 958 (COMMITTEE SUBSTITUTE)

By: Representatives Nimmer of the 178th, Coomer of the 14th, Riley of the 50th, England of the 116th, Harbin of the 122nd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to change certain provisions relating to the state income tax credit for qualified
3 entertainment production companies; to provide for a new exemption from state sales and
4 use taxes to qualified food banks; to provide for a new exemption from state sales and use
5 taxes for covered items on specified dates; to provide a new exemption for purchase of
6 energy efficient products or water efficient products to extend the exemption from state sales
7 and use taxes for competitive projects of regional significance; to provide for related matters;
8 to provide for an effective date and applicability; to repeal conflicting laws; and for other
9 purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
13 amended by revising paragraph (7) of subsection (b) and subsection (e) of Code Section
14 48-7-40.26, relating to the income tax credit for film, video, or digital production, as follows:

15 ~~"(7) 'Qualified interactive entertainment production company' means a company whose~~
16 ~~gross income is less than \$100 million that is primarily engaged in qualified production~~
17 ~~activities related to interactive entertainment which has been approved by the Department~~
18 ~~of Economic Development. that:~~

19 (A) Maintains a business location physically located in Georgia;

20 (B) In the calendar year directly preceding the start of the taxable year of the qualified
21 interactive entertainment production company, had a total aggregate payroll of
22 \$500,000.00 or more for employees working within the state;

23 (C) Has gross income less than \$100 million for the taxable year; and

24 (D) Is primarily engaged in qualified production activities related to interactive
25 entertainment which have been approved by the Department of Economic
26 Development.

27 This term shall not mean or include any form of business owned, affiliated, or controlled,
28 in whole or in part, by any company or person which is in default on any tax obligation
29 of the state, or a loan made by the state or a loan guaranteed by the state."

30 "(e)(1) In no event shall the aggregate amount of tax credits allowed under this Code
31 section for qualified interactive entertainment production companies and affiliates exceed
32 \$25 million for taxable years beginning on or after January 1, 2013, and before January
33 1, 2014. The maximum credit for any qualified interactive entertainment production
34 company and its affiliates shall be \$5 million for such taxable year. When the \$25
35 million cap is reached, the tax credit for qualified interactive entertainment production
36 companies shall expire for such ~~period~~ taxable years.

37 (2) For taxable years beginning on or after January 1, 2014, and before January 1, 2015,
38 the amount of tax credits allowed under this Code section for qualified interactive
39 entertainment production companies and affiliates shall not exceed \$12.5 million.

40 (3) For taxable years beginning on or after January 1, 2015, and before January 1, 2016,
41 the amount of tax credits allowed under this Code section for qualified interactive
42 entertainment production companies and affiliates shall not exceed \$12.5 million.

43 (4) The tax credits allowed under this Code section for qualified interactive
44 entertainment production companies and affiliates shall not be available for taxable years
45 beginning on or after January 1, 2016.

46 (5) The maximum allowable credit claimed for any qualified interactive entertainment
47 production company and its affiliates shall not exceed \$1.5 million in any single year.

48 (6) The commissioner shall allow the tax credits for qualified interactive entertainment
49 production companies on a first come, first served basis based on the date the credits are
50 claimed.

51 (7) No qualified interactive entertainment production company shall be allowed to claim
52 an amount of tax credits under this Code section for any single year in excess of its total
53 aggregate payroll expended to employees working within this state for the calendar year
54 directly preceding the start of the year the qualified interactive entertainment production
55 company claims the tax credits. Any amount in excess of such limit shall not be eligible
56 for carry forward to the succeeding years' tax liability, nor shall such excess amount be
57 eligible for use against the qualified interactive entertainment production company's
58 quarterly or monthly payment under Code Section 48-7-103, nor shall such excess
59 amount be assigned, sold, or transferred to any other taxpayer.

60 (8) Before the Department of Economic Development issues its approval to the qualified
61 interactive entertainment production company for the qualified production activities
62 related to interactive entertainment, the qualified interactive entertainment production
63 company must certify to the department that:

64 (A) The qualified interactive entertainment production company maintains a business
 65 location physically located in this state; and

66 (B) The qualified interactive entertainment production company had expended a total
 67 aggregate payroll of \$500,000.00 or more for employees working within this state
 68 during the calendar year directly preceding the start of the taxable year of the qualified
 69 interactive entertainment production company.

70 The department shall issue a certification that the qualified interactive entertainment
 71 production company meets the requirements of this paragraph; provided, however, that
 72 the department shall not issue any certifications before July 1, 2014. The qualified
 73 interactive entertainment production company shall provide such certification to the
 74 Department of Economic Development. The Department of Economic Development
 75 shall not issue its approval until it receives such certification.

76 ~~(2) The commissioner shall allow the tax credits for qualified interactive entertainment~~
 77 ~~production companies on a first come, first served basis based on the date the credits are~~
 78 ~~claimed. When the \$25 million cap is reached, the tax credit for qualified interactive~~
 79 ~~entertainment production companies shall expire."~~

80 **SECTION 2.**

81 Said title is further amended by revising subparagraph (A) of paragraph (57.1), subparagraph
 82 (A) of paragraph (75), subparagraph (A) of paragraph (82), and subparagraphs (A) and (B)
 83 of paragraph (93) of Code Section 48-8-3, relating to state sales and use tax exemptions, as
 84 follows:

85 "(57.1)(A) From July 1, 2006 2014, until June 30, 2010 2016, sales of food and food
 86 ingredients to a qualified food bank."

87 "(75)(A) The sale of any covered item. The exemption provided by this paragraph
 88 shall apply only to sales occurring during periods:

89 (i) Commencing at 12:01 A.M. on August 10, 2012 August 1, 2014, and concluding
 90 at 12:00 Midnight on August 11, 2012 August 2, 2014; and

91 (ii) Commencing at 12:01 A.M. on August 9, 2013 July 31, 2015, and concluding at
 92 12:00 Midnight on August 10, 2013 August 1, 2015."

93 "(82)(A) Purchase of energy efficient products or water efficient products with a sales
 94 price of \$1,500.00 or less per product purchased for noncommercial home or personal
 95 use. The exemption provided by this paragraph shall apply only to sales occurring
 96 during periods:

97 (i) Commencing at 12:01 A.M. on October 5, 2012 October 3, 2014, and concluding
 98 at 12:00 Midnight on October 7, 2012 October 5, 2014; and

99 (ii) Commencing at 12:01 A.M. on ~~October 4, 2013~~ October 2, 2015, and concluding
100 at 12:00 Midnight on ~~October 6, 2013~~ October 4, 2015."

101 "(93)(A) For the period commencing January 1, 2012, until June 30, ~~2014~~ 2016, sales
102 of tangible personal property used for and in the construction of a competitive project
103 of regional significance.

104 (B) The exemption provided in subparagraph (A) of this paragraph shall apply to
105 purchases made during the entire time of construction of the competitive project of
106 regional significance so long as such project meets the definition of a 'competitive
107 project of regional significance' within the period commencing January 1, 2012, until
108 June 30, ~~2014~~ 2016."

109 **SECTION 3.**

110 (a) This Act shall become effective upon its approval by the Governor or upon its becoming
111 law without such approval.

112 (b) Section 1 of this Act shall be applicable to all taxable years beginning on or after January
113 1, 2014.

114 **SECTION 4.**

115 All laws and parts of laws in conflict with this Act are repealed.